

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 98-212-C - ORDER NO. 98-581
JULY 30, 1998

IN RE: Application of Resort Hospitality Services,)	ORDER
Ltd. DBA RHS Communications for a)	APPROVING
Certificate of Public Convenience and)	CERTIFICATE
Necessity to Provide Local)	
Telecommunications Services Statewide.)	

This matter comes before the Public Service Commission of South Carolina ("the Commission") by way of the Application of Resort Hospitality Services, Ltd. d/b/a RHS Communications ("RHS" or "the Company") for a Certificate of Public Convenience and Necessity to provide local exchange telecommunications services within the State of South Carolina. The Application was filed pursuant to S.C. Code Ann. § 58-9-280 (Supp. 1997) and the Regulations of the Commission.

By letter, the Commission's Executive Director instructed RHS to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the areas affected by the Application. The purpose of the Notice of Filing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in the proceedings. RHS complied with this instruction and provided the Commission with proof of publication of the Notice of Filing.

A Petition to Intervene was received from the South Carolina Telephone Coalition ("SCTC). On June 23, 1998, Counsel for SCTC filed with the Commission a Stipulation in

which RHS stipulated that it would only seek authority in non-rural local exchange ("LEC") service areas of South Carolina and that it would not provide any local service to any customer located in a rural incumbent's service area, unless and until RHS provided written notice of its intent prior to the date of the intended service. RHS also stipulated that it was not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas. RHS agreed to abide by all State and Federal laws and to participate to the extent it may be required to do so by the Commission in support of universally available telephone service at affordable rates. The SCTC withdrew its opposition to the granting of a statewide Certificate of Public Convenience and Necessity to RHS provided the conditions contained in the Stipulation are met. The Stipulation is approved and attached as Order Exhibit 1.

A hearing was commenced on July 7, 1998, at 11:00 p.m., in the Commission's Hearing Room. The Honorable Philip T. Bradley, Chairman, presided. RHS was represented by John F. Beach, Esquire. Florence P. Belser, Staff Counsel, represented the Commission Staff.

Nickey Maxey, Chief Executive Officer of RHS, appeared and offered testimony in support of RHS' Application. The purpose of Mr. Maxey's testimony was to explain the nature of RHS's proposed services within South Carolina and to demonstrate RHS' financial, managerial, and technical ability to provide the services for which RHS seeks authority.

DISCUSSION

S.C. Code Ann. § 58-9-280 (Supp. 1997) provides that the Commission may grant a certificate to operate as a telephone utility...to applicants proposing to furnish local telephone service in the service territory of an incumbent LEC.

After full consideration of the applicable law, RHS' application, and evidence submitted by RHS, the Commission finds and concludes that the Certificate sought by RHS should be granted. The Commission's determination is based on the following criteria as provided in S.C. Code Ann. § 58-9-280 (Supp. 1997) and the evidence submitted in support of the application which relates to that criteria:

1. The Commission finds that RHS possesses the technical, financial, and managerial resources sufficient to provide the services requested. S.C. Code Ann. § 58-9-280(B)(1) (Supp. 1997). Mr. Maxey stated that RHS's management team has considerable experience in management, marketing, network operations, customer service, and financial and accounting issues. Regarding the technical ability of RHS to provide the proposed services, Mr. Maxey stated that RHS will rely exclusively on resale of existing local exchange company services and facilities. The testimony also reveals that RHS has the financial ability to provide the services which RHS proposes to offer, and the financial information supplied with the Application reveal that RHS ended calendar year 1997 with a positive net operating income. Based on the undisputed testimony of Mr. Maxey, the Commission finds that RHS possesses the technical, financial, and managerial resources sufficient to provide the services requested.

2. The Commission finds that RHS will provide services which will meet the service standards of the Commission. S.C. Code Ann. § 58-9-280(B) (Supp. 1997). Mr. Maxey's testimony indicated that RHS seeks to provide intrastate local telecommunications services. Mr. Maxey indicated that RHS will comply with all applicable rules, policies and statutes applicable to the offering of those services, including all service standards. Based on the undisputed testimony of Mr. Maxey, the Commission believes, and so finds, that RHS will provide telecommunications services that will meet the service standards of the Commission.

3. The Commission finds that RHS' "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. § 58-9-280(B)(3) (Supp. 1997). Mr. Maxey's testimony reveals that RHS believes that approval of its Application will serve the public interest by creating greater competition in the local exchange marketplace. Mr. Maxey stated that increased competition benefits the consumers by ensuring a wide variety of services and prices, increasing customer choice, promoting efficient use of the network, and expanding the tax base and revenue sources for the State, without any adverse impact on the goals of universal service and affordable local service for individual customers. Further, Mr. Maxey offered that approval of RHS' Application is also likely to cause other local telecommunications providers to improve their existing services, become more efficient, and introduce service innovations. Mr. Maxey stated that RHS' entry into the local market will not adversely impact affordable local exchange services. Therefore, based on the undisputed evidence of record, the

Commission finds that provision of local exchange services by RHS will not adversely impact affordable local exchange service.

4. The Commission finds that RHS will support universally available telephone service at affordable rates. S.C. Code Ann. § 58-9-280(B)(4) (Supp. 1997). RHS agreed in the Stipulation with the SCTC to participate in the support of universally available telephone service at affordable rates as required by State and Federal laws and as required by the Commission's Rules and Regulations. Further, Mr. Maxey stated that RHS would comply with the Commission's universal service requirements. Based on the undisputed evidence of record, the Commission finds that RHS will participate in support of universally available telephone service at affordable rates.

5. The Commission finds that the provision of local exchange service by RHS "does not otherwise adversely impact the public interest." S.C. Code Ann. § 58-9-280(B)(5) (Supp. 1997). Mr. RHS offered testimony that the approval of RHS' application will further the public interest by creating greater competition in the telecommunications marketplace thereby ensuring a wide variety of services and prices, increasing customer choice, promoting efficient use of the network, and expanding the tax base and revenue sources for the State. Further, Mr. Maxey offered that approval of RHS' Application is also likely to cause other local telecommunications providers to improve their existing services, become more efficient, and introduce service innovations. Therefore, based on the undisputed evidence of record, the Commission finds that approval of RHS' Application to provide local exchange service "does not otherwise adversely impact the public interest." S.C. Code Ann. § 58-9-280(B)(5) (Supp. 1997).

Therefore, based on the findings above, the Commission finds and concludes that a Certificate of Public Convenience and Necessity should be granted to RHS.

IT IS THEREFORE ORDERED THAT:

1. The Application of RHS for a Certificate of Public Convenience and Necessity to provide competitive intrastate local exchange services in South Carolina is approved, subject to the Stipulation between RHS and SCTC. The terms of the Stipulation between RHS and SCTC are approved and adopted as a portion of this Order. Any proposal to provide service to rural service areas is subject to the terms of the Stipulation. (The Stipulation is attached to this Order as Exhibit 1.)
2. RHS shall file, prior to offering local exchange service in South Carolina, a final tariff of its service offerings conforming to all matters discussed with the Staff, and comporting with South Carolina law in all matters.
3. RHS shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relation (complaint) matters, engineering operations, and tests and repairs. In addition, RHS shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. RHS shall file with the Commission the names, addresses, and telephone numbers of those representatives within thirty (30) days of receipt of this Order. (Attachment A shall be utilized for the provision of this information to the Commission.) Further, RHS shall promptly notify the Commission in writing if the representatives are replaced.

4. RHS is directed to comply with all Commission regulations unless expressly waived by the Commission.

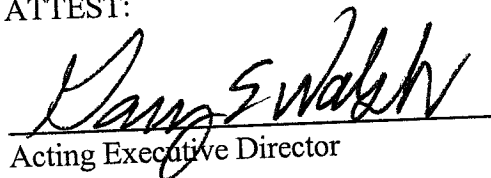
5. RHS shall conduct its business in compliance with Commission decisions and Orders, both past and future, including but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.

6. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Acting Executive Director

(SEAL)

DOCKET NO. 98-212-C - ORDER NO. 98-581
JULY 30, 1998
ATTACHMENT A

**INFORMATION OF THE AUTHORIZED UTILITY
REPRESENTATIVES FOR INTEREXCHANGE, LOCAL
AND AOS COMPANIES**

PURSUANT TO SOUTH CAROLINA PUBLIC SERVICE COMMISSION
REGULATION 103-612.2.4(b), each utility shall file and maintain with the Commission
the name, title, address, and telephone number of the persons who should be contacted in
connection with Customer Relations/Complaints.

Company Name/DBA Name

Business Address

City, State, Zip Code

Authorized Utility Representative (Please Print or Type)

Telephone Number

Fax Number

E-Mail Address

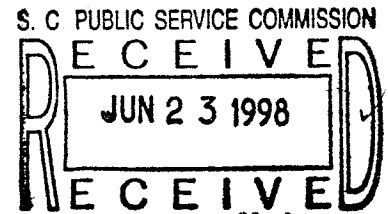
This form was completed by Signature

If you have any questions, contact the Consumer Services Department at 803-737-5230



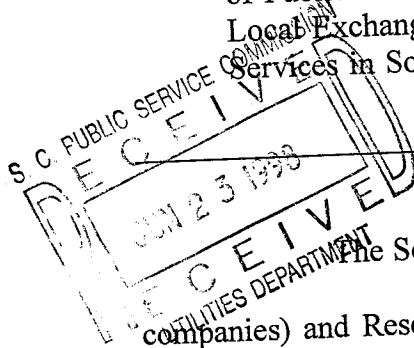
BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA

Docket No. 98-212-C



Re: Application of Resort Hospitality Services, Ltd.)
d/b/a RHS Communications for a Certificate of)
of Public Convenience and Necessity to Provide)
Local Exchange Telecommunications)
Services in South Carolina)

STIPULATION



The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and Resort Hospitality Services, Ltd. d/b/a RHS Communications ("RHS") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, the necessity for SCTC's intervention in this matter is avoided and SCTC withdraws its opposition to RHS's Application. SCTC and RHS stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to RHS, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.
2. RHS stipulates and agrees that any Certificate which may be granted will authorize RHS to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.
3. RHS stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.

RETURN DATE: _____
SERVICE: OK MR

4. RHS stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless and until RHS provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, RHS acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. RHS stipulates and agrees that if, after RHS gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law, or the Commission institutes a proceeding of its own, then RHS will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. RHS acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs, and this Stipulation in no way suspends or adversely

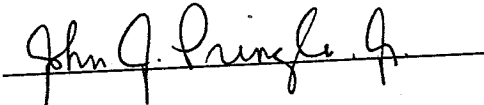
affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

8. RHS agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

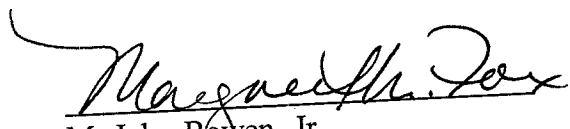
9. RHS hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

AGREED AND STIPULATED to this 22nd day of June, 1998.

Resort Hospitality Services, Ltd.
d/b/a RHS Communications



South Carolina Telephone Coalition:



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(803) 799-9800

Attorneys for the South Carolina
Telephone Coalition

ATTACHMENT A

South Carolina Telephone Coalition Member Companies for Purposes of Local Service Stipulation

ALLTEL South Carolina, Inc.
Bluffton Telephone Company, Inc.
Chesnee Telephone Company
Chester Telephone Company
Farmers Telephone Cooperative, Inc.
Ft. Mill Telephone Company
Hargray Telephone Company, Inc.
Heath Springs Telephone Company Inc.
Home Telephone Company, Inc.
Horry Telephone Cooperative, Inc.
Lancaster Telephone Company
Lockhart Telephone Company
McClellanville Telephone Company
Norway Telephone Company
Palmetto Rural Telephone Cooperative, Inc.
Piedmont Rural Telephone Cooperative, Inc.
Pond Branch Telephone Company
Ridgeway Telephone Company
Rock Hill Telephone Company
Sandhill Telephone Cooperative, Inc.
St. Stephen Telephone Company
West Carolina Rural Telephone Cooperative, Inc.
Williston Telephone Company